

## Message Text

UNCLASSIFIED

PAGE 01 TOKYO 03838 100242Z  
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 /021 W  
-----046506 110723Z /64  
R 100127Z MAR 78  
FM AMEMBASSY TOKYO  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 5966

UNCLAS TOKYO 3838

E.O. 11652: N/A  
TAGS: BBSR, JA  
SUBJECT: GLOBAL MARKET SURVEY - MACHINE TOOLS AND RELATED EQUIPMENT

REF: STATE 33733

1. OF THE EIGHT FIRMS INVITED TO BID FOR SUBJECT STUDY, SIX FIRMS  
DECLINED. TWO BID PROPOSALS AIRMAILED TO COMMERCE MARCH 6. SUMMARY  
FOLLOWS:

A) MITSUBISHI RESEARCH INSTITUTE, INC. (MRI)  
1) YEN 12,801,800 (\$54,476) (EXCHANGE RATE: US\$1 EQUALS YEN 235).  
2) 65 PERSONAL INTERVIEWS - 15 MFRS, 35 END-USERS, 2 TRADE ASS'N,  
3 GOV'T, 3 TRADE JOURNALS, 5 DISTRIBUTORS, 2 ENG. CONSUL).  
3) PREVIOUS RELATED STUDIES: COMPETITIVENESS ANALYSIS OF  
ENGINEERING INDUSTRIES IN DEVELOPED AND DEVELOPING COUNTRIES.  
FOR JAPAN SOCIETY FOR PROMOTION OF MACHINE INDUSTRY (JSPMI);  
MANPOWER DEMAND FORECAST OF INDUSTRIAL MACHINERY INDUSTRIES IN  
JAPAN, FOR JSPMI; DEMAND ANALYSIS OF INDUSTRIAL MACHINERY IN JAPAN,  
FOR MITSUBISHI HEAVY INDUSTRIES, LTD.; FORECAST OF TECH-  
NOLOGICAL INNOVATIONS IN ENGINEERING INDUSTRY IN JAPAN,  
FOR GOJ; PRICES SETTING MECHANISM OF INDUSTRIAL GOODS, FOR GOJ.

B) PEAT, MARWICK, MITCHELL & CO., TOKYO (PMM)  
1) YEN 2,100,000 (\$8,936)  
2) 50 PERSONAL INTERVIEWS - 25 END-USERS, 8 MFRS, 8  
IMPORTERS, 2 GOV'T, 2 TRADE ASS'N, 2 TRADE JOURNALS, 3 ENG.  
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CONSUL.).  
3) PREVIOUS RELATED STUDIES ON JAPAN: METALWORKING AND METAL  
FINISHING EQUIPMENT, 1974, FOR USDOC; NUMERICALLY-CONTROLLED  
MACHINE TOOLS, FOR U.S. MFR; METALWORKING MACHINERY, FOR U.S.  
MFR; MACHINE TOOLS, FOR GERMAN MFR; WELDING MACHINERY AND  
ELECTRODES, FOR U.S. MFR; METAL FINISHING EQUIPMENT, FOR U.K.  
DEPT. OF TRADE.

2. MRI, ONE OF THE LARGEST RESEARCH FIRMS IN JAPAN, IS PARTICIPATING FOR THE FIRST TIME IN COMMERCE'S MARKET RESEARCH BID. DESPITE ITS STRONG INTEREST IN UNDERTAKING THE PROJECT, EMBASSY FEELS MRI'S PRICE IS EXTREMELY HIGH AND THEREFORE SHOULD NOT BE CONSIDERED. ON THE OTHER HAND, PMM'S PRICE SEEMS REASONABLE. IT HAS DONE A CONSIDERABLE NUMBER OF STUDIES FOR COMMERCE, AND EMBASSY BELIEVES ITS CAPABILITY IS WELL KNOWN TO COMMERCE. PMM'S RECENT STUDIES INCLUDE GMS ON ELECTRIC ENERGY SYSTEMS, AND OPERATIONS MARKET RESEARCH ON CHILDREN'S TOYS, GAMES, AND HANDICRAFT - BOTH DONE IN 1975. PMM HAS NOT BEEN AWARDED A COMMERCE CONTRACT IN JAPAN SINCE 1975 ALTHOUGH IT HAS CONTINUOUSLY PARTICIPATED IN COMMERCE'S BIDS. EMBASSY STRONGLY RECOMMENDS PMM.

3. EMBASSY WOULD LIKE TO DRAW COMMERCE'S ATTENTION TO THE FACT THAT SIX OF THE EIGHT FIRMS DECLINED MAINLY BECAUSE OF TIGHT WORK-LOAD AND LIMITED MANPOWER, ALTHOUGH ONE FIRM FELT IT COULD NOT CONDUCT STUDY WITHIN NORMAL COST RANGE. THESE SIX FIRMS ARE INTERESTED IN FUTURE COMMERCE BIDS. BUT FEEL THAT IF THEY COULD HAVE AN ADDITIONAL MONTH TO COMPLETE STUDY, THEY WOULD BE IN BETTER POSITION TO UNDERTAKE PROJECTS IN THE FUTURE. ACCORDINGLY, EMBASSY REQUESTS COMMERCE CONSIDER THIS PROPOSAL FOR ADDITIONAL TIME FOR FUTURE CMS PROJECT IN JAPAN.  
SHERMAN

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014